

1 CITY OF DELTA, UTAH
2 REGULAR CITY COUNCIL MEETING
3 APRIL 5, 2012
4
5

6 PRESENT
7

8 Gayle Bunker Mayor
9 John Niles Council Member
10 Steven Pratt Council Member
11 Tom Stephenson Council Member
12 Betty Jo Western Council Member
13

14 ABSENT
15

16 Robert Banks Council Member
17

18 OTHERS PRESENT
19

20 Gregory Jay Schafer City Recorder
21 Alan Riding Public Works Director
22 Todd Anderson City Attorney
23 Ken Clark Assistant Public Works Director
24 Beth Johnson Sherwood Water Company
25 Scott Johnson Sherwood Water Company
26 Dean Draper Millard County Chronicle/Progress
27

28 Mayor Bunker called the meeting to order at 7:00 p.m. He stated that notice of the meeting time,
29 place and agenda had been posted at the City Building and on the Utah Public Notice website and
30 was provided to the Millard County Chronicle/Progress and to each member of the City Council at
31 least two days prior to the meeting.
32

33 Council Member John Niles provided opening remarks, following which Mayor Bunker led those
34 in attendance in the Pledge of Allegiance.
35

36 MINUTES
37

38 The proposed minutes of a Special City Council Meeting held March 22, 2012 were presented for
39 consideration and approval. Following review, Council Member Tom Stephenson MOVED to
40 approve the minutes of the Special City Council Meeting held March 22, 2012, as presented. The
41 motion was SECONDED by Council Member John Niles. Mayor Bunker asked if there were any
42 comments or questions regarding the motion. There being none, he called for a vote. The motion
43 passed with Council Members John Niles, Steven Pratt, Tom Stephenson and Betty Jo Western
44 voting in favor and Council Member Robert Banks being absent.
45

ACCOUNTS PAYABLE

The Council reviewed the accounts payable, a copy of which had been provided to them two days prior to the meeting. Following review and discussion, Council Member John Niles MOVED to approve the accounts payable, dated March 28, 2012, in the amount of \$34,281.75. The motion was SECONDED by Council Member Steven Pratt. Mayor Bunker asked if there were any comments or questions regarding the motion. There being none, he called for a vote. The motion passed with Council Members John Niles, Steven Pratt, Tom Stephenson and Betty Jo Western voting in favor and Council Member Robert Banks being absent.

PUBLIC COMMENT PERIOD

There were no comments from the public.

UNFINISHED BUSINESS

There were no items of unfinished business on the agenda.

NEW BUSINESS

MAYOR GAYLE BUNKER: REQUEST FOR APPROVAL OF MILLARD COUNTY FIRE DISTRICT ENTERING INTO A MEMORANDUM OF UNDERSTANDING WITH THE UTAH DIVISION OF FORESTRY, FIRE AND STATE LANDS

Mayor Bunker noted that Bruce Curtis had asked, at the previous meeting, that Council Members formally provide approval for Millard County Fire District to enter into the Memorandum of Understanding with the Utah Division of Forestry, Fire and State Lands. This Memorandum of Understanding has been renewed annually for a number of years but this year the State wants to simplify the process by having the Fire District do billing for the various fire departments rather than having each department bill separately for wild land fire fighting expenses. Checks will still be made to the individual departments but billing will be handled by the Fire District. There was a question regarding insurance coverage. City Attorney Todd Anderson stated that we have the required insurance in place and the Millard County Fire District most likely has the required insurance in place.

Following discussion, Council Member Tom Stephenson MOVED to approve Millard County Fire District entering into a Memorandum of Understanding with the Utah Division of Forestry, Fire and State Lands. The motion was SECONDED by Council Member Steven Pratt. Mayor Bunker asked if there were any comments or questions regarding the motion. There being none, he called for a vote. The motion passed with Council Members John Niles, Steven Pratt, Tom Stephenson and Betty Jo Western voting in favor and Council Member Robert Banks being absent.

MAYOR GAYLE BUNKER: RESOLUTION NO. 12-343, A RESOLUTION CREATING THE LOCAL BUILDING AUTHORITY OF DELTA CITY

Mayor Bunker advised Council Members that, in order to obtain bonding and the funding from the Permanent Community Impact Fund Board, we are required to set up a building authority and have the project property transferred into the name of the building authority. The property will then be utilized as security for loan funds. Another requirement is that we obtain bond counsel.

Mayor Bunker noted that Council Members had received a copy of the following proposed resolution:

RESOLUTION NO. 12-343

A RESOLUTION APPROVING THE ORGANIZATION OF A LOCAL BUILDING AUTHORITY FOR DELTA CITY, MILLARD COUNTY, UTAH, TO BE NAMED THE LOCAL BUILDING AUTHORITY OF DELTA CITY AND THE FORMS AND ARTICLES OF INCORPORATION AND BYLAWS RELATING THERETO, AND AUTHORIZING THE APPROPRIATE OFFICERS OF SAID CITY TO TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH.

Mayor Bunker asked for input regarding the resolution. Council Member Betty Jo Western asked if this was required by the Permanent Community Impact Fund Board. Mayor Bunker answered that it was required by the PCIFB. City Attorney Anderson stated that organizing a local building authority isolates the project, the funding, and the loan from other city monies and projects. The funding involves \$535,000 in grant funds and \$215,000 in loan funds (a thirty year loan at zero percent interest). There was discussion regarding funding for the building and advantages of having a community center in the city.

Mayor Bunker asked to have a motion to either proceed with the local building authority and claim the funding which has been set aside for construction of the community center or to turn the funding down and quit the project. We have to decide which way the Council wants to go on the project.

Council Member John Niles MOVED to adopt Resolution No. 12-343 organizing a Local Building Authority of Delta City. The motion was SECONDED by Council Member Tom Stephenson. Mayor Bunker asked if there were any comments or questions regarding the motion. There being none, he called for a roll call vote. The vote was as follows:

Robert Banks	Absent
John Niles	
Steven Pratt	
Tom Stephenson	Yes
Betty Jo Western	

1 Council Member Pratt had questions regarding the motion and the vote did not continue. Council
2 Member John Niles withdrew his motion and suggested that the matter be tabled for further
3 discussion at the next meeting.
4

5 Council Member John Niles MOVED to table further discussion of Resolution No. 12-343 at the
6 next meeting of the City Council when all Council persons are in attendance. The motion was
7 SECONDED by Council Member Steven Pratt. Mayor Bunker asked if there were any comments
8 or questions regarding the motion. There being none, he called for a vote. The motion passed with
9 Council Members John Niles, Steven Pratt, Tom Stephenson and Betty Jo Western voting in favor
10 and Council Member Robert Banks being absent.
11

12 As a result of Resolution No. 12-343 not being adopted, the Council did not recess City Council
13 Meeting to convene as the Building Authority.
14

15 MAYOR GAYLE BUNKER: RESOLUTION NO. 12-344, A RESOLUTION TRANSFERRING
16 TITLE OF THREE PARCELS OF REAL PROPERTY TO THE LOCAL BUILDING AUTHORITY
17 OF DELTA CITY
18

19 Not discussed due to Resolution No. 12-343 being tabled until the next meeting.
20

21 MAYOR GAYLE BUNKER: PROPOSED CREATION OF DELTA WATER DISTRICT
22

23 Mayor Bunker stated the question could be asked as to why Delta City is interested in creating a
24 water district for the purpose of providing culinary water to residents of the Sherwood Shores area.
25 Mayor Bunker suggested that one reason is that Delta City had been approached by the Johnsons,
26 owners of Sherwood Water Company, asking if we were interested in helping solve the problem of
27 providing culinary water which will meet state requirements for arsenic content in drinking water.
28 Mayor Bunker felt that Delta City has some responsibility to assist other water providers in the area,
29 if it is possible to do so, because we are not just Delta City residents, we are residents of the
30 community, including the surrounding area that uses Delta to attend schools and shop, etc. A second
31 reason for being interested in creating a water district is that cities are better suited at providing
32 municipal services, such as water, sewer, and other utilities, than are individual providers. Water
33 companies are "not for profit" companies so, if Delta City is able to cooperate in providing water to
34 the Sherwood Shores area, we should do so.
35

36 It has been determined that the funding obtained by Sherwood Water Company to correct their
37 arsenic content problem is transferrable, so Delta City would be able to utilize those funds to provide
38 water for the Sherwood Water system. Mayor Bunker said he had driven around the Sherwood
39 Shores area. He then discussed two possible directions that lines could be installed to connect
40 Sherwood Water Company to Delta City water lines. Delta City has made some rough estimates of
41 the cost to install a twelve inch pipe line from Delta City to Gunnison Bend Reservoir and
42 determined an approximate cost of \$200,000; it would cost approximately \$250,000 to install a pipe

1 line under the reservoir. There would also be a cost of approximately \$300,000 to upgrade the
2 current water system in Sherwood Shores, including adding some new main lines, installing new
3 water meters and installing fire hydrants. Engineering fees of approximately \$150,000 and another
4 \$60,000 for miscellaneous costs, and \$40,000 to acquire additional water, would bring the total to
5 about \$1,000,000. In addition, a storage tank and pumps would cost approximately \$150,000.

6
7 Mayor Bunker feels that, even if we want to assist Sherwood Water Company, we cannot supply that
8 assistance at the expense of city residents. Therefore, water rates at Sherwood Shores must be
9 sufficient to pay the cost of providing all upgrades. Sherwood Water Company has received notice
10 that approximately \$800,000 of their \$1,000,000 loan for water service upgrades would be forgiven
11 when the project is complete, resulting in an approximately \$250,000 loan balance, in addition to
12 an additional \$150,000, for a total debt of about \$350,000 for which Sherwood Shores residents
13 would have to bear the cost.

14
15 Council Member Tom Stephenson stated that he had talked to a resident of Sherwood Shores who
16 was concerned about the increased cost of water service as a result of this project. The resident was
17 also concerned that the number of people who do not live at Sherwood Shores full time would do
18 without water service to their homes rather than pay the increased cost, thus resulting in the full time
19 residents bearing the burden of all the cost of water system upgrades. Mayor Bunker noted that the
20 arsenic content of water at Sherwood Shores must be corrected so all residents will be required to
21 bear the cost of the project, regardless of whether it is done by Delta City or by Sherwood Water
22 Company. The State of Utah has mandated that the water system must be upgraded. Beth Johnson,
23 Sherwood Water Company, stated that if Sherwood Water Company does the system upgrade, the
24 charge for water service will be double what current rates are at Sherwood Shores. Council Member
25 Stephenson noted that the person he talked to thought they had an option to install a filter to remove
26 excess arsenic. Public Works Director Alan Riding stated that point of use filters require a
27 modification to all kitchen sinks to include a drinking water outlet and that outlet must be monitored
28 for filtration, which would include allowing the system operator to have access to all homes to check
29 and test those filters every month. This is not a feasible option for a system which has over 90
30 connections unless everyone is willing to give the water system operator access to their homes to
31 check and test filters. Public Works Director Riding also noted that Delta City, acting as the water
32 district, would have taxing authority allowing all property owners to be taxed for system upgrades.
33 A private water company must collect all revenue for system upgrades from water users only.

34
35 City Attorney Todd Anderson noted that, in his opinion, the most fair way to assess cost of
36 improvements is for all property owners to pay a share. A water district can tax property owners for
37 cost of improvements but residents must be allowed to vote on the matter. If we are looking at a
38 \$250,000 cost, user fees can pay that cost or the amount can be assessed to each property owner.
39 Thus, the improvements are being paid through taxes and the water itself is paid by users. Mayor
40 Bunker stated that, if these improvements are not made, the system will become an unapproved
41 water system. If the system becomes unapproved, property cannot be purchased or sold because
42 institutions will not loan funds on a home without an approved water source.

1 Council Member Betty Jo Western asked how Sherwood Shores water users feel about the possibility
2 of Delta City providing upgrades and water to their system. (Could not hear the response by Beth
3 Johnson) Mayor Bunker said that the Chairman of the Drinking Water Board was in Delta last week,
4 not in his official capacity but as an interested person, and he appeared to be in favor of Delta City
5 providing water for the Sherwood Water system. If Council Members are in favor of continuing the
6 process to assist Sherwood Water Company in this manner, we will meet with the Drinking Water
7 Board in May to request transfer of the loan to Delta City on the same terms as was offered to
8 Sherwood Water Company. There was discussion regarding the terms offered to Sherwood Water
9 Company. Mayor Bunker then asked whether Council Members felt that Delta City should pursue
10 the project and obtain further details. Council Members agreed that we should pursue the project in
11 an attempt to assist Sherwood Water Company with supplying approved drinking water to residents
12 of Sherwood Shores.

13
14 MAYOR GAYLE BUNKER: PROPOSED COMMUNITY CENTER

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16 No discussion as a result of Resolution No. 12-343 not being adopted. There was no reason to
17 discuss the proposed community center if Council Members are unsure whether to go ahead with
18 obtaining construction funding.

19
20 MAYOR GAYLE BUNKER: FOURTH OF JULY CELEBRATION

21
22 Mayor Bunker advised Council Members that the Miss Liberty contest will be held on Tuesday, April
23 10th at 6:30 p.m. We have five young ladies competing for the royalty.

24
25 PUBLIC WORKS DIRECTOR ALAN RIDING: UPDATE ON PUBLIC WORKS PROJECTS

26
27 Public Works Director Alan Riding requested that the irrigation water rental rate be set at \$40 per
28 acre foot for the coming irrigation season. Public Works Director Riding suggested that the irrigation
29 water rental rate be set and placed on the fee schedule so that we are not required to have the rate
30 determined every year. Public Works Director Riding asked for direction so that we can send out our
31 annual rate letters to irrigation water users. Council Members agreed to setting the irrigation water
32 rental rate at \$40 per acre foot for this year. The matter will be on the agenda for ratification at the
33 next meeting.

34
35 Public Works employees have completed installation of the new door at the airport hangar. We are
36 getting a new "Delta Municipal Airport" sign made. Employees have begun work on the splash pad;
37 the walls for the holding tank have been poured. They plan to have the splash pad ready for use by
38 July 4th.

39
40 Council Member Betty Jo Western asked if there was a drainage problem on 450 West Street south
41 of 300 South Street. Public Works Director Riding said that there was poor design on that street
42 when it was constructed. It is supposed to drain into a nearby irrigation ditch and the bottom of the

1 ditch is at about the same level as the road. At this time, there are not many options to eradicate the
2 water problem on the street but we are looking at possible solutions.

3
4 OTHER BUSINESS

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6 Council Member Betty Jo Western advised that Delta High School FFA plans to do a clean up
7 project again this spring and asked Public Works Director Riding to be watching for a project for
8 them. They are currently planning on the first or second week in May.

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12 Council Member Western asked if anyone had heard that we are not holding an American Cancer
13 Society Relay for Life this year. She asked if anyone else had heard anything on that event. No one
14 else had heard anything.

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18 Mayor Bunker asked if there were any comments, questions or other items to be discussed. There
19 being none, Council Member Tom Stephenson MOVED to adjourn the meeting. The motion was
20 SECONDED by Council Member John Niles. Mayor Bunker asked if there were any comments or
21 questions regarding the motion. There being none, he called for a vote. The motion passed with
22 Council Members John Niles, Steven Pratt, Tom Stephenson and Betty Jo Western voting in favor
23 and Council Member Robert Banks being absent.

24
25 Mayor Bunker declared the meeting adjourned at 8:34 p.m.

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29 _____
30 GAYLE BUNKER, Mayor

31
32 _____
33 Gregory Jay Schafer, MMC, City Recorder

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35 MINUTES APPROVED: